

Entered July 14, 1976
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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5711
Order No. R-5240

APPLICATION OF HANSON OIL CORPORATION
FOR A DUAL COMPLETION AND DOWNHOLE
COMMINGLING, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 7, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of July, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Hanson Oil Corporation, seeks authority to complete its Max Gutman Well No. 7, located in Unit D of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico, as a dual completion (conventional), completing said well in such a manner as to commingle Blinebry and Tubb oil and gas production and to dually complete said zones with the Drinkard Pool.

(3) That from both the Blinebry and Tubb zones, said well is capable of low marginal production.

(4) That the proposed commingling may result in the production of additional hydrocarbons from each of said pools, thereby preventing waste, and will not violate correlative rights.

(5) That the reservoir characteristics of each of the aforesaid pools are such that underground waste would not be caused by the proposed commingling.

(6) That in order to determine the production from each of the commingled zones in the subject well, 40 percent of the commingled gas and oil production should be allocated to the Blinebry zone and 60 percent of the commingled gas and oil production should be allocated to the Tubb zone.

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(7) That the mechanics of the proposed dual completion are feasible and in accord with good conservation practices.

(8) That approval of the subject application will prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Hanson Oil Corporation, is hereby authorized to commingle Blinebry and Tubb production in the wellbore of its Max Gutman Well No. 7, located in Unit D of Section 19, Township 22 South, Range 38 East, NMPM, Lea County, New Mexico.

(2) That 40 percent of the commingled gas and oil production shall be allocated to the Blinebry zone and 60 percent of the commingled gas and oil production shall be allocated to the Tubb zone.

(3) That the applicant is hereby authorized to complete said Max Gutman Well No. 7 as a dual completion (conventional) in such a manner as to produce the commingled Blinebry and Tubb production through a string of 2 1/16-inch tubing and the Drinkard production through a parallel string of 2 1/16-inch tubing, with separation of the commingled zones to be achieved by means of a packer set at approximately 6190 feet.

PROVIDED HOWEVER, that the applicant shall complete, operate, and produce said well in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order;

PROVIDED FURTHER, that the applicant shall take packer-leakage tests upon completion and annually thereafter during the Annual Gas-Oil Ratio Test Period for the Drinkard Pool.

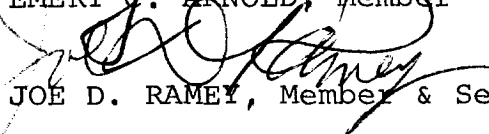
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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